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Reply to: Tampa, FL

Friday - October 12, 2001

STOCK BROKERS INDICTED IN
"PUMP AND DUMP" SCHEME

Mac Cauley, United States Attorney for the Middle District of Florida, today announced the unsealing of a 29-count indictment naming seven individuals. They are charged with conspiracy, mail fraud, wire fraud, securities fraud and money laundering. The individuals indicted are being charged with a scheme to "pump" up stock which meant the defendants would seek to artificially increase the price of the stock by manipulating the market and then the defendants could "dump" the shares at a higher price on their brokerage customers.

Those charged are:

Joseph Desanto, age 32 (DOB 1/11/69) - Pompano Beach, Florida

Joseph Salerno, III, age 32 (DOB 8/24/69) - Highlands Ranch, Colorado

John Salerno, age 34 - Chicago, Illinois

Richard Ginsberg, age 39 - Ft. Lauderdale, Florida

Peter Leighton, age 48 - Hamilton, Bermuda

Palma Desanto, age 31 - Coconut Creek, Florida

Veronica Desanto a/k/a Veronica Ruiz, age 28 - Pompano Beach, Florida

The defendants owned or managed or were associated with the Joseph Roberts Company of Chicago, Illinois and the Hamilton Shea Group, Inc, Pompano Beach, Florida.

According to the indictment, the conspiracy began back in early January of 1993 and continued until December of 1998. The defendants are alleged to have manipulated the price of shares of stock at nine corporations by controlling large blocks of stock in nominee accounts, offering brokers at the two companies (Joseph Roberts & Hamilton Shea) payments over and above the normal commission to sell certain securities, and by making false and fraudulent claims to customers as to the financial viability of the corporations. The excessive payment of money to brokers over and above the lawful commission was an inducement to sell a particular stock and to “pump” the price of the stock. The indictment alleges losses totaling \$81,000,000.00.

This case was investigated by the Federal Bureau of Investigation, the Securities and Exchange Commission, and the National Association of Securities Dealers and will be prosecuted by Assistant United States Attorney Carolyn Adams.

An indictment is merely a formal charge that a defendant has committed a violation of the federal criminal laws, and every defendant is presumed innocent until, and unless, proven guilty.